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Central Intelligence Agency

Washington, D. C. 20505

DIRECTORATE OF INTELLIGENCE

3 December 1984

Urban Terrorism in the Philippines [redacted]

Summary

Several recent violent incidents in Philippine cities raise the issue of whether radical groups, and especially the Communist Party of the Philippines, have reached a decision to embark on a campaign of urban terrorism. [redacted]

[redacted] many of the incidents are not the work of terrorists and we do not believe that in the aggregate they indicate the beginning of a Communist urban terrorist campaign in Manila. Up to now, the Party appears to have concluded that the benefits from such a campaign would be outweighed by the damage that harsh government reprisals would inflict against an exposed Party apparatus. Nevertheless, the Party's growing military tactical capability, the vulnerability of Manila to urban terrorism [redacted]

[redacted] suggest that the potential for such a campaign will remain high. [redacted]

Evidence From Recent Incidents

A spate of recent violent incidents in Manila, Davao, and several other cities has sparked concern among many Philippine observers that radical groups in the country have embarked on a new wave of urban terrorism. Manila had experienced a flurry of

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urban terrorist activity earlier in the decade, but political violence--initiated strictly for propaganda or publicity purposes--has remained at low levels in recent years. [REDACTED]

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The recent incidents began with the assassination last June of Manila Police General Karingal. The government claimed that the New People's Army had assassinated Karingal to avenge the deaths of several leftwing labor members who were killed during strikes last spring. The Communist Party, meanwhile, claimed responsibility for the action in several of its publications. [REDACTED]

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Karingal's death was followed by the assassination of opposition leader Alexander Orcullo last October in Davao City. Orcullo's assassination received widespread media attention and has served to underscore the deteriorating security situation in Davao--a city long known to be infested by the NPA. The assassination of Zamboanga City Mayor Cesar Climaco two weeks ago has also fueled speculation that urban terrorism is on the rise. Climaco's death--highlighted by his heavily attended funeral--has been the most widely publicized event in the series of incidents. Thus far, no group has claimed responsibility for the assassination. [REDACTED]

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To complicate matters, a series of hotel fires have erupted in Manila and Baguio since early November. Although no group has claimed responsibility, government officials have determined that the fires were deliberately set. A Police Constabulary task force has been formed to investigate several groups, including the remnants of The April 6th Liberation Movement and the Light-A-Fire Movement--two rightwing terrorist groups that have been dormant since 1981--and the Communist Party.* [REDACTED]

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Separate evidence, however, casts considerable doubt on the terrorism hypothesis in most of these cases. Investigating Philippine officials appear to have concluded that most of the hotel fires were probably arson conducted to collect insurance. All of the hotels in question were experiencing financial problems. [REDACTED]

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*The April 6th Liberation Movement and the Light-A-Fire Movement were responsible for a rash of fires and bombings in Manila between 1978 and 1981. Although the groups intended to spark anti-Marcos sentiment with their tactics, the public reacted by demonstrating widespread support for the government. Government intelligence efforts, moreover, succeeded in arresting most of the leadership in both groups--for the most part disaffected intellectuals. [REDACTED]

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The Communist Party Perspective

[redacted] the Party is continuing to avoid a campaign of violence in the capital, while concentrating Party efforts on political organization. There is basis for concern, however, that the party might eventually choose to embark on a new phase of urban terrorism. Clashes between protestors and police [redacted] have been instigated by militant student groups who are demanding that the Communist Party take a more confrontational stand during rallies. Increasing evidence, moreover, suggests that the Party has become concerned in recent months over dwindling turnouts at demonstrations in Manila and is at least considering urban terrorism as a way to gain new momentum. [redacted]

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As best as we can determine, one urban area where the Party has clearly embarked on an urban terrorist campaign is Davao City. The frequent "liquidation" of uncooperative village captains or corrupt local officials has long been common to Davao and is a hallmark of Party strategy.

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Prospects

In all likelihood, the Davao campaign will continue to undermine stability on Mindanao for years to come.

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The government's lack of strong administration at the local level and an ineffective counterinsurgency strategy, moreover, have allowed the Party to become firmly enmeshed in Davao City's social, political, and economic fabric.

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The costs for the party in mounting a broader urban terrorist campaign--particularly in the capital--are likely to be high. Given the government's extensive intelligence network and high concentration of troops around Manila, Party organization and cadre would be exposed to a dose of government retaliation which the Party has up to now taken pains to avoid.

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The Party will continue to weigh the tradeoffs of a full-fledged urban terrorist campaign and may resort to violent tactics if it perceives that tensions--heightened by Marcos's recent health crisis, the implication of General Ver in the Aquino assassination, and the bite of harsh austerity measures--can be aggravated to a degree that threatens the government's ability to maintain peace and order in Manila. We believe there are several key signs that would leave no doubt within the Intelligence Community, or for that matter in the Philippine Government, that an urban terrorist campaign was underway. In Manila, we would watch for:

- Coordinated attacks on government officials and government buildings.
- The singling out for attack of projects associated with Imelda Marcos, such as the Manila Cultural Center, which tend to be scorned by most Filipinos. Other buildings that would be obvious targets for urban terrorists are the offices of the Ministry of Human Settlements, which Mrs. Marcos heads.
- Attacks against corporate headquarters and other private interests of President Marcos's key cronies, including coconut king Eduardo Cojuangco and sugar czar Roberto Benedicto.

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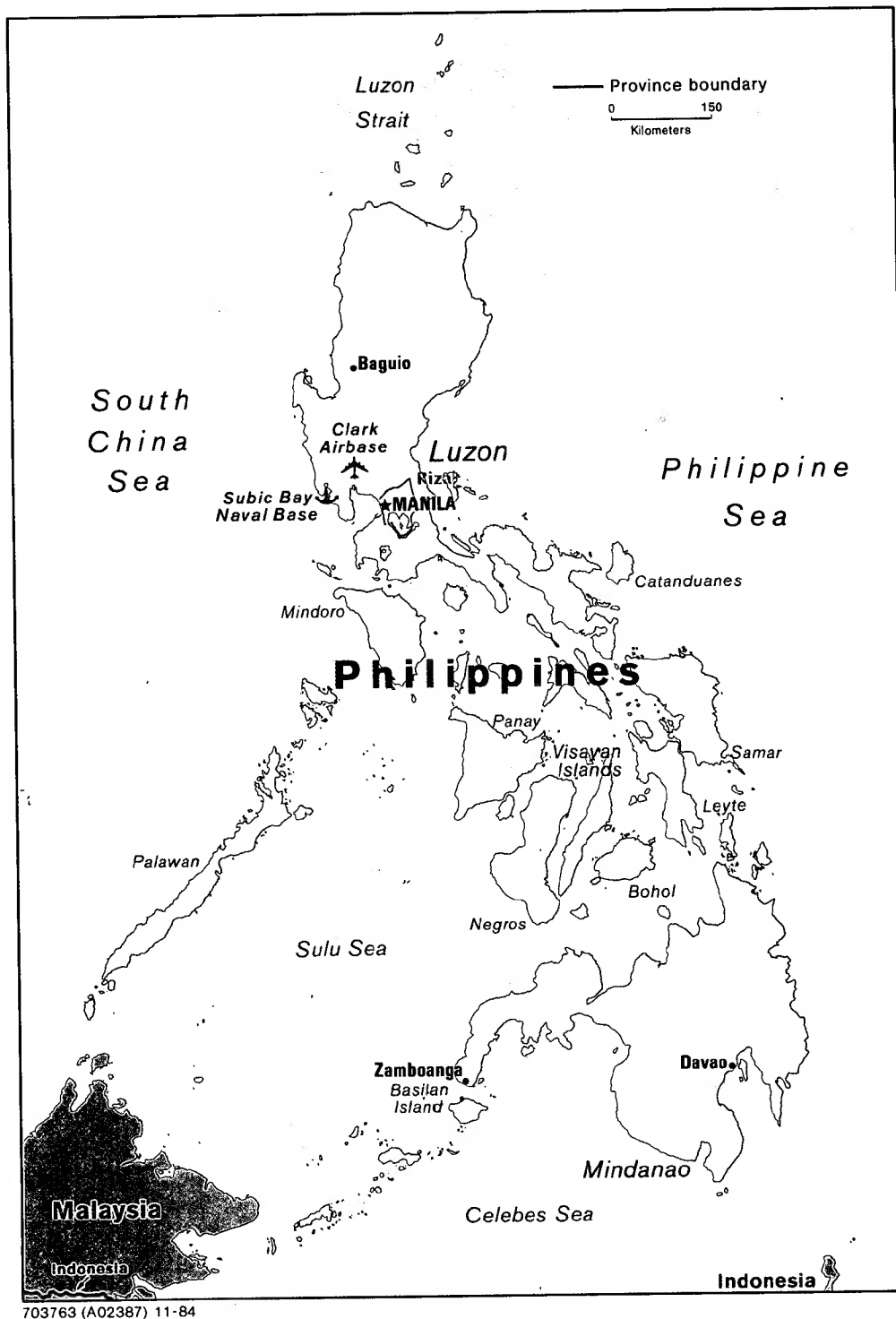
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Over the longer term the campaign would likely extend to US citizens, installations, multinational corporations, and other foreign financial institutions. This would be a major shift in tactics--the Party traditionally has not targetted US buildings or citizens. But anti-US rhetoric increasingly figures in Party propaganda, and the Party's decision to move in earnest to a stage of urban terrorism in our opinion would inevitably lead to a targetting of the US installations. Some US official and private facilities that are likely to be obvious targets include the Embassy, the Housing Compound for Embassy employees, and US corporations and major financial institutions indentified with the recent IMF foreign debt rescheduling negotiations. [REDACTED]

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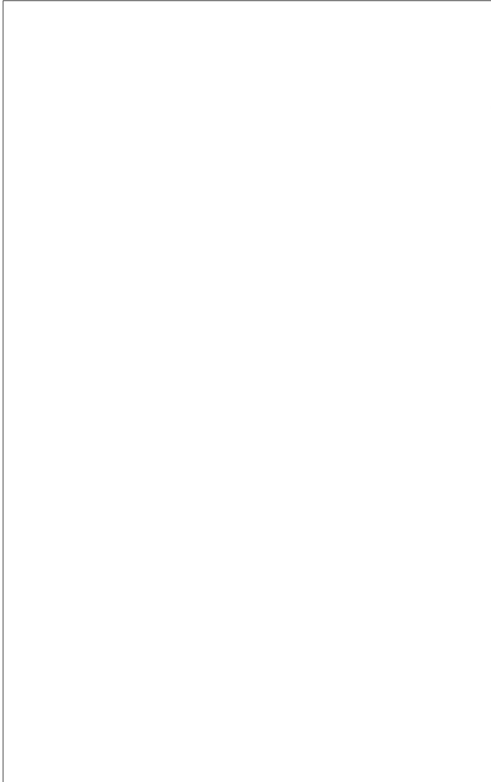
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